

Terms and Conditions of Purchase

1. Ordering

Our orders are placed under our terms and conditions of purchase alone and -provided that these do not make a relevant provision - in accordance with German law. The Seller's terms and conditions shall only apply in so far as they have been recognised by us in writing.

Our silence in response to terms and conditions differing from our own is never to be interpreted as consent. By accepting or carrying out our orders the Seller recognises our terms and conditions of purchase, even in those cases in which he has confirmed an order with his own terms and conditions of business.

Our terms and conditions shall also apply without having to be agreed separately again for future orders. Only orders placed by us in writing shall be binding on us. This shall also apply for subsequent amendments. Verbal agreements or agreements made over the telephone shall therefore be subject to our written confirmation.

If machinery, vehicles, apparatus etc. are delivered, you will furnish an assurance of full compliance with the accident prevention regulations in force at the point in time of delivery.

2. Statement of order acceptance

The statement of order acceptance may only be made within a period of one week from the receipt of order by stating the precise code number and the binding delivery date, otherwise the statement of order acceptance shall be overdue.

3. Prices

All prices shall be regarded as fixed prices and unless otherwise agreed, shall be supplied carriage free to our works including packaging. The cheapest method of transport is to be selected if delivery ex Works is agreed.

4. Delivery date

The delivery dates agreed in individual contracts are to be observed as being binding and fixed delivery dates. If you are in default with your performance, you shall consequently be liable in accordance with German law.

5. Part performances

Part performances shall not be allowed and shall be regarded as not having been rendered until a performance has been rendered in full. Even if we take delivery of part performances the Seller shall bear any additional costs which may possibly be incurred by us.

6. Dispatch

- (1) Delivery address: Nádražní 10, 47107 Žandov CZ.
- (2) Our order data has to be repeated in all letters, dispatch notes, invoices as well as on all waybills, on the copies of the parcel addresses and despatch notes. All costs incurred by us as a result of non-compliance with the above regulations or as a result of a consignment being incorrectly addressed shall be for your account.
- (3) Dispatch shall be at the Seller's risk. The risk of accidental loss and all deterioration of the goods shall only pass over to us when we, or our assistants, take delivery of the goods at the destination, even if they are sent at our request.
- (4) Unless otherwise agreed, the Seller shall bear the dispatch costs until the goods are taken over by us at the point of destination.
- (5) And finally, the Seller has to insure the goods against damage in transit.

7. Warranty

- (1) The Seller is obliged to undertake quality control measures and conduct quality controls with regard to the goods. We shall only subject the goods to a cursory inspection for manifest defects, for damage in transit in particular. Defects identified in the course of such an inspection may be notified by us to the Seller within two weeks of delivery. Otherwise, the obligation to inspect the goods and notify defects in accordance with § 377 of the German Commercial Code [HGB] is ruled out.
- (2) The Seller shall furnish a warranty that the delivered item has the agreed features and does not show any defects impairing use or operation.
- (3) The Seller shall furnish a warranty that his goods / service shall not have any defects for a period of three years from the passing of risk. The statutory regulations shall apply if a defect does occur within three years from the passing of risk.
- (4) The Seller shall, at our request, be obliged to supply relevant spare parts at the prices in the spare parts price list in force at that time for a period of 10 years from delivery.

8. Product liability - Exemption - Liability insurance cover

- (1) In so far as the Supplier is responsible for product damage, he shall, given this, be obliged to exempt us from third party compensation claims for damages upon first request, once it has been determined that the cause lies within his sphere of control and authority and that he is liable to outsiders.
- (2) As part of his liability for claims within the meaning of Section (1) above, the Supplier is also obliged in accordance with (1) to refund any expenses in accordance with § 683, § 670 of the German Civil Code [BGB] as well as in accordance with § 830, § 840, § 426 German Civil Code [BGB], incurred from or in connection with a product recall campaign carried out by us. We shall - as far as possible and reasonable - inform the Supplier of the content and scope of the recall measures to be conducted and allow him an opportunity to make a statement in response. Other statutory claims shall not be affected.
- (3) The Supplier shall undertake maintain a product liability insurance policy with cover of 5 million Euro per claim for personal injury/property damage. If we are entitled to compensation claims for damages over and beyond this limit, these shall not be affected as a result.

9. Breach of patent

The Seller shall be liable for the supply and use of the offered items not being in breach of third party patents or proprietary rights.

10. Furnishing of materials by us

Materials furnished by us shall remain our property in all cases and are to be stored, marked and managed separately. They are only to be used for our orders. You will have to replace them if they suffer a loss in value or are lost.

11. Work carried out in the Buyer's works

Persons entering our premises to fulfilment the supply contract shall be subject to our factory regulations.

12. Invoicing and payment

- (1) Under no circumstances may the invoices be attached to the goods. Invoices must be forwarded separately. Invoices for consignments delivered within a given month must be received by us by the 3rd day of the following month.
- (2) Payment will be made by us within 14 days within the receipt of the goods and invoice to qualify for a prompt payment discount of 3% of the invoiced amount including value added tax or within 60 days net.
- (3) The Seller shall only be entitled to offset provided that his claims have been declared final and absolute in a court of law, are not contested or have been recognised by us. Besides which, he shall only be entitled to exercise a right of retention to the extent that his counter claim is based on the same contractual relationship and has been declared final and absolute in a court of law, is not contested by us, or has been recognised by us.

13. Non disclosure

We shall retain the title rights, industrial property rights and copyrights to all order documents - such as drawings, models, devices, samples and similar. They must not be reproduced, made accessible for third parties without our prior written consent unless this is necessary to carry out the order. The same shall apply for the items manufactured in accordance with them. Once the order has been handled the order documents and all copies of such documents as may have been made are to be returned. Provided that third parties have to be allowed access to the order documents for the orders to be supplied, the Seller shall impose the same obligations upon them as he has towards us. The parties to the contract shall keep secret commercial or technical details of which they become aware as a result of their commercial relationship both while the order is being handled and afterwards, as long as they are not in the public domain or enter the public domain without the Seller's involvement. The Seller shall also be obliged to impose a corresponding obligation upon his suppliers.

14. Place of fulfilment, Place of jurisdiction and agreement on choice of law

The legal relationships between the Seller and us shall be governed by the law of the Federal Republic of Germany alone. The United Nations convention on the international sale of goods dated 11.04.1980 shall not apply.

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